Kingdom of the Netherlands

President Donald Tusk
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Re Environmental Council discussion on the follow-up to the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change

Dear President Tusk,

On 18 December 2015, the European Council invited the European Commission and the Council to assess the results of the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21) by March 2016, in particular in view of the 2030 climate and energy framework, and to prepare the next steps. On 4 March 2016 the Netherlands Presidency organised in the Environment Council a ministerial Policy Debate on the follow-up to COP 21. As a basis for the discussion the Presidency drafted a headline reading of the Paris Agreement (attached). In addition, the Commission published a communication on “The road from Paris” on 2 March 2016. With this letter, I would like to inform you on the outcomes of our debate in the Environment Council and the future steps foreseen.

Both the Council and Commission emphasise the importance of the Paris Agreement and the role the EU played in brokering the successful outcome. Member States agreed to the Presidency’s headline reading of the agreement and welcomed the Commission’s communication as a valuable input for further work towards the low carbon transition in the framework of the Energy Union. The debate confirmed the shared perception and understanding of the Paris Agreement as a landmark internationally legally binding instrument, which is a turning point in global action on climate change. The Paris Agreement sets ambitious goals and will enable further development of transparent and ambitious national and regional climate policies.

The Council agreed it is important that the EU and its Member States ratify the Paris Agreement as soon as possible, also as a sign of our ambition. As a step towards ratification, ministers mentioned wanting to have a clear picture of the measures implementing the 2030 regulatory framework set out in the European Council conclusions of October 2014. Ratification was also discussed over lunch.

The Council expressed a strong will to move forward and continue the EU leadership in implementing climate policies domestically, including its own intended nationally determined contribution (INDC). There is general support for maintaining the EU 2030 climate target to reduce EU greenhouse gas emissions by at least 40% relative to 1990 emissions as agreed by the European Council in October 2014. The importance of a timely conclusion of the necessary legislation to meet this target was stressed. This signals our commitment and puts us in a position to further clarify our efforts.

In this regard, Member States showed a determination to move on with the review of the EU Emissions Trading System and further pending proposals, including on effort sharing in the non-trading sectors and on land use, land use change and forestry (LULUCF). Specific attention was called to the potential for synergy between greenhouse gas mitigation and ecosystem management, for example in the forestry sector. The Presidency will organise a policy debate on the review of the EU Emissions Trading System at the Environmental Council on 20 June 2016.

The EU will have to undertake in-depth studies to inform its participation in periodic reviews of the global ambition mechanism aimed at delivering the long term goals of the Paris Agreement to limit global warming to well below 2°C relative to pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C, as well as formulation of a new mid-century low emission development strategy.

There is a broad support for an active participation in the 2018 facilitative dialogue as an important signal of our continued commitment. The dialogue will take stock of the collective ambition and progress in implementing Paris commitments and will prepare the subsequent global stock takes of 2023 and 2028. In this context, the Commission announced the preparation of an in-depth analysis of the economic and social transformations in order to feed the political debate in the European Parliament, Council and with stakeholders on developing an EU mid-century, long-term low emission development strategy by 2020.

The debate in the Council confirmed that the EU and its Member States need to work closely with our partner countries to maintain the positive momentum of Paris and that the EU will continue to support a strong coordinated action through an active European climate diplomacy. Here it will be key to assist others in the implementation of the Paris agreement and the INDCs, in the context of low-emission and climate resilient development. There is clearly a continued commitment to deliver with regard to adaptation and climate finance.

Continued collaboration with partners such as businesses and local governments will help to maintain momentum and facilitate delivery of the commitments set out in Paris. Several ministers also mentioned the need to move forward in the international aviation and shipping sectors.

The ambitious greenhouse gas target for 2030 agreed by the European Council put the EU in a position of leadership on the road to Paris and beyond. In the light of the Paris Agreement the Council remains committed to implementing the EU target and working with our international partners to realise the ambitious objectives of the Paris Agreement. I look forward to continued EU cooperation on fighting climate change and appreciate the priority the European Council continues to give this important challenge.

Yours sincerely,

MINISTER FOR THE ENVIRONMENT,

Sharon A.M. Dijksma

Annex: Presidency headline reading of the Paris Agreement

The Paris Agreement is a legally binding multilateral agreement adopted by 195 countries. With strong and active political efforts, the EU played an important role in brokering an ambitious and balanced agreement. Under the effective and successful French Presidency, the final result is at the upper end of expectations.

Paris marked a strong involvement by both state and non state actors. 187 Parties have submitted their INDCs, establishing a new way of building a shared global effort to reduce emissions as well as risks and negative impacts of climate change. These contributions will, when implemented, lead to a significant deviation from business as usual emissions by 2030, but will not yet put the world on a pathway to meet the agreed temperature goals. Non-state actors strongly committed themselves to a vast array of action on both mitigation and adaptation, thereby supporting and complementing actions by their governments.

The Paris Agreement provides clear directional objectives for all these efforts, which was an important EU demand. For mitigation, the agreement sets the long-term objective of keeping global warming well below 2°C and to pursue efforts to limit it to 1.5°C. To this end, global emissions should peak as soon as possible and be rapidly reduced thereafter, so as to reach a balance between emissions and sinks (i.e. climate neutrality) in the second half of the century, based on science. The agreement also emphasises the importance of action on adaptation, establishing a long-term goal for adaptation to strengthen resilience and reduce vulnerability worldwide.

At the core of the agreement is a legally binding provision that each Party shall prepare, communicate and maintain successive nationally determined mitigation contributions that will represent progression over time and reflect its highest possible ambition. Furthermore, Parties shall pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions.

One of the major achievements of the EU is the inclusion of a five-yearly ambition cycle, aimed at regularly updating individual and collective ambition. The first cycle will start in 2018 with a facilitative dialogue in which Parties will take stock of the collective efforts towards meeting the long term goal. The 2018 dialogue will provide an opportunity to pilot and further develop the process for the 2023 and 2028 global stock takes. The 2018 dialogue should be informed, inter alia, by the special report of the Intergovernmental Panel on Climate Change (IPCC) on the impacts of global warming of 1.5 °C above pre-industrial levels and related global greenhouse gas emission pathways. Following this dialogue, Parties with 2025 targets are expected to come forward in 2020 with their successive contribution, whereas Parties with 2030 targets, such as the EU, are invited to communicate or update their contribution, and to do it every five years thereafter. All Parties' new contributions will represent progression relative to previous contributions in terms of ambition. If the "well below 2°C" goal is to remain achievable, the first review cycle must result in substantial additional commitments. The EU and its Member States will also need to be prepared for this first ambition cycle.

The Paris Agreement also invites Parties to come forward with their longer term mid-century vision, in the form of a low-emission development strategy, by 2020.

The EU and its Member States should start the necessary preparations for such a strategy.
Another central element of the agreement for the EU is the common and enhanced transparency framework for providing clarity on both action and support, with built-in flexibility to differentiate monitoring, reporting and verification (MRV) commitments in light of Parties varying capabilities. This Paris outcome provides a good starting point for elaborated accounting rules to verify if Parties meet their commitments, and it enables the development of new mechanisms for accounting of traded emission reductions. Importantly, many of these provisions apply to the transparency and accountability for adaptation and means of implementation.

On climate finance the agreement sets as its purpose making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. This will require a global shift in both private and public investment flows. It also reaffirms the leading role of developed countries in the provision of financial resources, yet encourages other Parties to contribute as well. The decision sets the target for mobilisation of USD 100 billion a year by 2020 through 2025, with a new, higher goal to be set for the period after 2025.

The Paris Agreement encourages Parties to strengthen domestic action and international cooperation on adaptation to climate change by increasing resilience and reducing vulnerability, as well as on loss and damage. This will include efforts to achieve a balance between mitigation and adaptation in climate finance, with a focus on the needs of poor and vulnerable countries. Developed country donors are also invited to come forward with finance roadmaps towards 2020 to demonstrate their contribution towards the global effort to mobilise climate finance.

The agreement contains clear guidance for Parties in their efforts to enhance action pre-2020 and undertake the necessary steps ahead of the entry into force of the agreement.

There are ample opportunities for the EU to demonstrate its determination to deliver on the implementation agenda for adaptation, mitigation and finance, including the ratification of the Doha amendment. In addition to formal pre-2020 action under the Paris Agreement, the Lima Paris Action Agenda will represent an important continuing forum to raise ambition.

The EU and its Member States were among the first to submit their collective INDC on 6 March 2015. The next step for the EU and its Member States is to agree on the domestic policies under this framework. At the same time, we will need to prepare for ratification of the Paris Agreement.

Now, the EU and its Member States have to deliver on their promises. Through concrete actions Europe will continue to lead the global low-carbon transition that was agreed in Paris.